GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:906
ANSWERED ON:27.07.2001
TAX COLLECTED FROM SERVICE SECTOR
SRINIVASULU KALAVA

Will the Minister of FINANCE be pleased to state:

(a) whether various State Governments have requested the Union Government to pay themshare of taxes collected in the service sector as they were providing all infrastructure; and

(b) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): Net proceeds of Service Tax are shareable with the States in terms of the recommendations of the Eleventh Finance Commission. However, State of Jammu & Kashmir is not entitled to a share in the Service Tax as this tax is not leviable in that State.